



THE CONTRIBUTION OF INNOVATION IN IMPROVING THE OPERATION OF MARKETING IN BUSINESSES

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Abstract:

This study will focus on innovation marketing. A first search for the topic of innovation marketing in international literature provides us with many results, most of which focus on the marketing of technological innovations rather than the innovation that can be found in marketing. Recently, there have been some theorists who have dealt with the issue by broadening the concept of innovation and integrating it into innovation marketing. On the basis of the limited reference to this, the aim of this study is to define innovation marketing as a distinct form of innovation and to propose a measurement method to small and medium-sized enterprises operating in Greece.

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1. Introduction

In order to understand the concept of innovation marketing, it would initially be very useful to clarify the terms that compose it, namely to define what marketing is and what innovation is. These two terms have attracted the interest of both researchers and theorists over the last decades. And all this because, according to Drucker (1955), every enterprise only has two key business functions that must be taken care of in order to create a stable clientele and these are marketing and innovation (Starbuck, 2017).

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1.2 Literature Part

It is well known that Marketing is a basic and competitive tool for modern businesses. Its proper use not only helps to promote sales and rational use of resources, but also to better adapt the produced product or service to market needs. Marketing constitutes the senses of a business and innovation is its life. In other words, innovation that does not incorporate marketing into its evolving processes is doomed to failure but also dangerous in some cases because it can lead to costs that may endanger a business financially, or even lead it to bankruptcy (Smith & Zook, 2016).

Innovation marketing aims to reduce risks, uncertainty and to optimize the available business resources. It also aims to help improve company competitiveness by successfully introducing new products and services to the market (marketing push), but also by building new marketing ideas that can lead to new products and services (marketing pool) (Clark, 2017).

It is the process through which business management understands the needs of its customers and helps them to satisfy them more efficiently by introducing new products into production or new services. The management identifies through the marketing the market needs and proposes to meet them through a product created with the help of all its technological structures (Ellinger & Daugherty, 2015).

The success of this technique depends both on the composition of the working team (its members must be positive to the marketing processes and have the appropriate skills) as well as the total number of employees because the objective is common and especially those that make up the management team to provide the necessary support and resources (Carver, 2017).

Innovation Marketing is the application of marketing principles to the specific field of the innovation process, aiming at reducing risks, uncertainty and optimizing available resources. Innovation marketing develops a philosophy that permeates the entire process of innovation, from the creation of a favorable climate for the development of ideas to the assessment of the effects of the entry of innovation to the market.

In the successful process of introducing innovations to the market, there is a dividing line, which is between the marketing that precedes the product creation and the marketing following the production of a product and is in the market phase. Preliminary marketing, which is often omitted, is a kind of “lab marketing” or a marketing of exploration, while the market marketing focuses on the consumer and is clearly about promoting the product. The aim of innovation marketing is to contribute to the competitiveness of the business in a constantly changing environment with the successful introduction of new products and services (Sinkovics et al., 2015).

1.3 Process of Innovation Marketing

The process of innovation marketing is distinguished in two stages, one of which is that of the preliminary investigation and the other is the detailed investigation (Killian & McManus, 2015).

During the preliminary investigation stage some actions are being undertaken to document the decision to start the innovation project. That is, a preliminary study on the market, the existing competition and the possible acceptance of the product, or service, is made. The technical assessment of the initial and basic technical characteristics of the product or service, as well as the economic assessment of the project, such as the investment cost, the volume of desirable or potential sales and the expected repayment period of the investment, shall follow. At this stage, the product is proposed or rejected, and accordingly the company proceeds to the establishment or not of a plan for the next phase.

At the stage of detailed investigation, which is most important, it is intended to clearly identify the product and confirm the attractiveness of the project before the company makes any costly investment. It includes three key parts, one of which is the definition of what and for whom it will be done, namely concerns the identification of the target market, the description of the product concept (product or service identity), the outline of its positioning strategy and the list of its features (properties, requirements, specifications) (Sandlin et al., 2015).

The second part relates to the justification in which the required activity is considered for the success of the venture, the financial needs, the potential profitability and the risks involved in the decision (Kumar, 2017).

The third part includes the project plan and concerns the action plan from the development to the market positioning of the product or service on the basis of a timetable and the management of the necessary resources (capital, people, equipment) for the implementation (Bagheri, Mahboobi & Rhim, 2017).

The actions included in an action plan are the Marketing Research (the study of user needs and desires), Competitiveness Analysis (SWOT analysis: pros and cons, strengths and weaknesses of a product, followed by strategies and performance), Market Analysis (assessment of all market information such as segmentation and behavior as well as competition), Detailed Technical Assessment (transformation of the market data into a technically feasible plan, technical solution and route mapping, technical risks and solutions, patents, security and legal issues, manufacturing capability, capital investment and costs), Product Perception control (before the full commitment to product creation, the perception of the potential buyer, the intention to buy and sell, the interest in the product and price sensitivity, i.e., degrees of freedom in the product pricing process), the Economic Analysis for the justification of the project and cash flow estimation (repayment and return of the investment) and finally, the Activity Development Plan (suggestions, i.e. if it is accepted or rejected, detailed planning, control plans, marketing and construction, and finally definition of the introduction of the product into the market) (Andrews & Shimp, 2017).

From the above, the importance of innovation marketing becomes clear as it can save a company from bankruptcy due to irresponsible methods and unreasonable costs, can reduce the waste of resources, and bring a product to the forefront. It is a must-have practice for any company size that should not hesitate to spend the necessary costs to get to know its environment, always bearing in mind the enormous costs of ignorance.

1.4 The Importance of Marketing in the Development of Innovative Products

The importance of marketing in the development of innovative products is crucial. New and good products deserve professional marketing. Innovation alone cannot make a company successful, because success in the market and progress is a complex and dynamic process (Percy, 2014).

It is no coincidence that corporate leaders around the world are seeing the creation of new products as a central strategic challenge for their organizations over the next decade. They consider that in a hefty and demanding economy, profitable growth is unsustainable without the creation and redevelopment of the markets (Sato, Drennan & Lings, 2017).

Every year thousands of new products are introduced into the world market. In Greece, most of the new products are direct imports from abroad, imitation of foreign products or variations already existing and less as a result of the new technology, since the amounts available in this field are among the lowest in Europe with a direct, of course, impact in Greece's domestic and international competition (Fill & Turnbull, 2016).

The new products, on average, represent the surprising 40% of the sales of the companies. The term "New Products" refers to those products that have been introduced to the market by a company over the last five years.

The upward trend of the introduction of new products has led to similar trends in business profits. The causes of this rapid introduction of new products can be found in the following (Batra & Keller, 2016):

- **Technological advancement:** The development of technology and know-how at a global level, as well as the increase in the amount of information exchanged, created the necessary conditions for the rapid increase in the production of new products, which would have surpassed every imagination a decade ago.
- **Changing Customer Needs:** Needs, desires and market preferences are constantly changing, with customer focusing on new and significantly improved products.
- **Consumers awareness:** Getting information and knowledge has resulted in increased consumer demands for products and services.
- **Reduced Product Life Cycle:** This was a consequence of the increasing pace of the technological change in response to the changing market demands. The life of the new product is no longer 5 to 10 years, but in a few years, sometimes even months, it is displaced by the introduction of a new competitive product that makes the former outdated, pushing for the appearance of a new one.
- **Increased Global Competition:** Today, the access to foreign markets is unprecedented, but at the same time, a domestic market becomes international for others. This globalization of the markets has created important opportunities for innovative products, on the one hand, because a product has the potential to become global itself and on the other because the competition between markets has intensified as a result of the race for global dominance.

From the above, it becomes clear that market knowledge, such as knowledge of customer behavior and needs, are very important factors of innovation from the conception of an idea to the introduction of an innovative product on the market (Ots & Nyilasy, 2015).

A study by Laudon and Laudon (2016) revealed that for every seven new product ideas, about four reach in the development process, 1.5 are introduced into the market and only one has a chance to succeed. The reason for the failure of new products is most often attributed to inadequate marketing research, technical problems and poor planning. The importance of marketing in innovation is also found in US studies that reveal that 60-80% of successful innovations are due to the market and only 20-40% to the research lab.

Innovation is a continuous process; it is more an overall view than individual actions. Although overall decision-making on the introduction of new products is the responsibility of the management, it is necessary to ensure that an organizational structure with specific responsibilities is in place to guide and coordinate the process of innovation development. The staff involved in the implementation of this technique should come from all departments of the company: the Department of Finance, Design, Engineering, Production, R&D, but mainly from the commercial sector. In addition, it is necessary to involve the heads responsible for the development of relevant innovation projects. In small enterprises, the participants may be the members of the management team (Karjaluo, Mustonen & Ulkuniemi, 2015).

2. Conclusion

In conclusion, it could be said that corporate leaders need to change the way they think about innovation and how their corporate culture reflects this thinking. Innovation can be supported everywhere if appropriate opportunities and incentives are given to people and good ideas from all sources are rewarded, both within and outside the enterprise.

The fifteen success factors for new products are as follows:

1. The uniqueness and superiority of the product or a differentiated product that provides unique benefits and superior value to the customers.
2. Market orientation or a process for creating the new product that is market-driven and customer-oriented.
3. The focus on the global product, i.e. the international orientation for the design, development and marketing of the product.
4. More work at the preliminary stage of development before the commencement of the product development.
5. Accurate and timely determination of the product, which is an important factor for its success or failure.
6. Good planning and good execution for the introduction of the new product, and a well-structured marketing plan at the heart of this process.

7. The proper organizational structure, the right planning and the good working climate.
8. Support from senior executives, which, although it does not ensure success, certainly strengthens the effort, which, unfortunately, many senior executives have not perceived.
9. The synergy. Efforts based on hasty and isolated actions usually fail.
10. The attraction of the markets, which is a key criterion for selecting a program for the development of the innovative product.
11. The prediction of the success of a new product and the determination of the product profile to be declared a winner.
12. More emphasis on integrated, coherent and qualitative implementation.
13. Availability of resources
14. Greater speed, but not at the expense of the quality of implementation.
15. The sequence of a disciplined plan in multiple stages to create the new product.

A new concept in itself does not constitute an innovation. The commercialization of the new concept gives it the characteristics of (business) innovation. That is, if a new idea cannot be economically exploitable, then it is a social innovation. For example, it could be argued that Greenpeace's technological invention to replace the freon of the cooling machines, an aggravating factor for the atmosphere, with water-based ecological cooling (cooling produces during evaporation) because it was not used by the innovative NGO (and was not adopted by most manufacturers) is not considered an innovation. A social innovation, however, can cause the creation of entrepreneurial innovation, such as the social program "Help at home" implemented by many Municipalities in Greece in the context of the exercise of a social policy financed by the European Union, which caused the emergence of private companies providing such services in this field.

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